



**BILLING CODE (3410-XY-U)**

**DEPARTMENT OF AGRICULTURE**

**Rural Business-Cooperative Service**

**Rural Utilities Service**

**7 CFR Part 4279**

**Biorefinery Assistance Guaranteed Loans; Correction**

**AGENCY:** Rural Business-Cooperative Service and Rural Utilities Service, USDA.

**ACTION:** Interim rule; correction.

**SUMMARY:** The Agency published a rule in the Federal Register on February 14, 2011, establishing a guaranteed loan program for the development and construction of commercial-scale biorefineries and for the retrofitting of existing facilities using eligible technology for the development of advanced biofuels. The document inadvertently omitted provisions as to what an applicant is to do in the event either an appraisal is not completed or a credit rating cannot be obtained at the time of application. This document corrects the omissions.

**DATES:** The correction is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information should be directed to Kelley Oehler, (202) 720-6819.

#### **SUPPLEMENTARY INFORMATION**

##### **Need for Correction**

As published, the interim rule requires applicants to submit a "credit rating" with the application. The Agency inadvertently omitted an alternative to "credit rating" when applicants are unable to obtain one at the time of application. Therefore, the Agency is correcting the interim rule to redress this situation in §§ 4279.202(d) and 4279.261(b)(6) by allowing the submittal of a "credit assessment" at the time the application is submitted.

In addition, the interim rule does not address what an applicant is to do in the event an appraisal has not been completed at the time of application. Previously, in implementing through a series of notices published in the Federal Register, the Agency allowed such applicants to submit an estimated appraisal. This allowance was inadvertently left out of the interim rule, and the Agency

has revised § 4279.261(e) accordingly. The credit rating and appraisal would need to be provided before issuance of the Loan Note Guarantee.

**List of Subjects in 7 CFR Part 4279**

Biorefinery assistance, Loan programs—Business and industry, Rural development assistance, Rural areas.

For the reasons set forth in the preamble, title 7, chapter XLII of the Code of Federal Regulations, is amended as follows:

**CHAPTER XLII—RURAL BUSINESS—COOPERATIVE SERVICE AND RURAL UTILITIES SERVICE, DEPARTMENT OF AGRICULTURE**  
**PART 4279—GUARANTEED LOANMAKING**

1. The authority citation for part 4279 continues to read as follows:

**Authority:** 5 U.S.C. 301; 7 U.S.C. 1989, and 7 U.S.C 1932(a) .

Subpart C - Biorefinery Assistance Loans

2. Section 4279.202 is amended by revising paragraph (d) to read as follows:

**§ 4279.202 Compliance with §§ 4279.1 through 4279.84.**

\* \* \* \* \*

(d) Independent credit risk analysis. The Agency will require an evaluation and either a credit rating or a credit assessment of the total project's indebtedness, without consideration for a government guarantee, from a nationally-recognized rating agency for loans of \$125,000,000 or more.

\* \* \* \* \*

3. Section 4279.261 is amended by revising paragraphs (b)(6) and (e) to read as follows:

**§ 4279.261 Application for loan guarantee content.**

\* \* \* \* \*

(b) \* \* \*

(6) For loans of \$125 million or more, an evaluation and either a credit rating or a credit assessment of the total project's indebtedness, without consideration for a government guarantee, from a nationally-recognized rating agency; and

\* \* \* \* \*

(e) Appraisals. Unless otherwise approved by the Agency, an appraisal conducted as specified under § 4279.244.

\* \* \* \* \*

---

Dallas Tonsager  
Under Secretary  
Rural Development

\_January 11, 2012\_

DATE

[FR Doc. 2012-1149 Filed 01/23/2012 at 8:45 am; Publication  
Date: 01/24/2012]